## 637.610 Procedure upon conversion of income trust to total return unitrust.

Following the conversion of an income trust to a total return unitrust, the trustee:

- 1. Shall treat the unitrust amount as if it were net income of the trust for purposes of determining the amount available, from time to time, for distribution from the trust.
- 2. Shall allocate an amount to trust income, not in excess of the annual unitrust payout amount, in the following order:
- a. The amount derived from net income, as determined if the trust were other than a total return unitrust.
- b. The amount derived from other ordinary income as determined for federal income tax purposes.
- c. The amount derived from net realized short-term capital gains as determined for federal income tax purposes.
- *d.* The amount derived from net realized long-term capital gains as determined for federal income tax purposes.
  - e. The amount derived from trust principal.

2002 Acts, ch 1086, §14, 21 Referred to in §637.613